

E. Additional Coverage Extensions**1. Property In Transit**

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, E.3., does not increase the Limit of Insurance.

F. Definitions

"Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

- 1. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - a. The cost of filling sinkholes; or
 - b. Sinking or collapse of land into man-made underground cavities.
- 2. Falling objects does not include loss or damage to:
 - a. Personal property in the open; or
 - b. The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- 3. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

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COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPRINKLER LEAKAGE – EARTHQUAKE EXTENSION

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
STANDARD PROPERTY POLICY

The following is added to COVERED CAUSES OF LOSS:

SPRINKLER LEAKAGE – EARTHQUAKE EXTENSION, meaning Sprinkler Leakage loss or damage caused by:

1. Earthquake; or
2. Volcanic eruption, explosion or effusion.

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This endorsement changes the policy. Please read it carefully.

Cyber Risk Exclusion

This endorsement modifies insurance provided under the following:

**BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART**

The following is an addition to the Perils Excluded Section.

Cyber Risk Exclusion

The Company will not pay for Damage or Consequential loss directly or indirectly caused by, consisting of, or arising from:

1. Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility,
2. Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set,
3. Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the Insured to conduct business.

This Endorsement shall not exclude subsequent Damage or Consequential loss, not otherwise excluded, which itself results from a defined Peril. Defined Peril shall mean: Fire, Lightning, Explosion, Aircraft or Vehicle Impact, Falling Objects, Windstorm, Hail, Tornado, Cyclone, Hurricane, Earthquake, Volcano, Tsunami, Flood, Freeze or Weight of Snow.

This Endorsement shall not act to increase or broaden coverage afforded by this policy.

Such Damage or Consequential loss described in 1, 2, or 3 above is excluded, regardless of any other cause that contributed concurrently or in any other sequence.

All other terms, conditions and exclusions of this policy remain unchanged.

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- (3) All reasonable expenses incurred by you at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$100 a day because of time off from work;
- (4) All costs taxed against you in any "suit" we defend;
- (5) Prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the total loss resulting from the "accident" we will not pay any prejudgment interest based on that period of time after the offer; and
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the Limit of Insurance shown in the Declarations.

f. Automatic Coverage for a Newly Acquired Location

We will automatically cover an "accident" at a newly acquired location. This automatic coverage begins at the time you acquire the property and continues for 90 days, under the following conditions:

- (1) You must inform us in writing of the newly acquired location within 90 days of the date you acquire it;
- (2) The equipment must be on site at the time of the acquisition and throughout the period of automatic coverage and be of a type that would be included in the "Comprehensive" definition of "accident";
- (3) The highest deductible amount shown in the Declarations shall apply to newly acquired locations; and
- (4) You agree to pay an additional premium as determined by us.

B. EXCLUSIONS

We will not pay for:

1. Ordinance or Law

Any increase in loss caused by or resulting from enforcement of any ordinance, law, regulation, rule or ruling regulating or restricting repair, alteration, use, operation, construction or installation. As used here, increase in loss also includes expenses incurred beyond those for which we would have paid if no substance declared to be hazardous to health by a governmental agency had been involved in the "accident."

For the purpose of this coverage ammonia shall not be considered a substance declared as hazardous to health by a governmental agency under this exclusion.

2. Nuclear Hazard

Loss caused by or resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

a. War and Military Action

Loss caused by or resulting from:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

b. Other Exclusions

Loss caused by or resulting from:

- (1) Fire or combustion explosion that occurs at the same time as an "accident" or that ensues from an "accident." With respect to any electrical equipment forming a part of covered equipment this exclusion is changed to read:

Fire or combustion explosion outside the equipment that occurs at the same time as an "accident" or ensues from an "accident."

- (2) An "accident" that is the direct or indirect result of an explosion or fire;
- (3) Water or other means used to extinguish a fire, even when such an attempt is unsuccessful;
- (4) Explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the gas passages from the furnace to the atmosphere;
- (5) Flood. However, if an "accident" results from a flood, we will pay for loss, damage or expense caused by the "accident";
- (6) Damage to media used with any electronic computer or electronic data processing equipment;
- (7) An "accident" caused directly or indirectly by earth movement, including but not limited to earthquake, landslide, mudslide, subsidence or volcanic eruption;
- (8) Any other indirect result of an "accident."

c. Additional Exclusions Applying to Business Interruption and Extra Expense Insurance

We will not pay for:

- (1) The interruption of business that would not or could not have been carried on if the "accident" had not occurred;
- (2) Your failure to use due diligence and dispatch and all reasonable means to resume business at the "location (s)" shown in the Declarations; or
- (3) That part of any loss or expense that is due solely to the suspension, lapse or cancellation of a contract following an "accident" extending beyond the time business could have resumed if the contract had not lapsed, been suspended or cancelled.

3. Addition Exclusion Applying to Spoilage

We will not pay for loss or damage as a result of your failure to use all reasonable means to protect the perishable goods from damage following an "accident."

We will not pay for any loss excluded above even though any other cause or event contributes concurrently or in any sequence to the loss.

C. LIMITS OF INSURANCE

- 1. We will not pay more than the applicable Limit of Insurance, if any, shown in the Declarations for all direct damage to Covered Property that results from any "one accident." Our payment will not increase if more than one insured is shown in the Declarations.

2. Hazardous Substance Limit

The following applies despite the operation of the Ordinance or Law Exclusion. This limitation does not apply to damage, contamination or pollution caused by ammonia.

If Covered Property is damaged, contaminated or polluted as a result of an "accident" by a substance declared to be hazardous to health by an authorized governmental agency, the most we will pay for any additional expenses incurred by you for clean up, repair or replacement or disposal of that property is \$25,000. As used here, additional expenses mean expenses incurred beyond those for which we would be liable if no substance hazardous to health had been involved.

3. Business Interruption and Extra Expense Limit

As regards Business Interruption and Extra Expense Coverage our limit of liability for any one "accident" is equal to twelve (12) consecutive months of actual loss for a total or partial interruption of your business.

4. Spoilage Limit

If an amount is shown as Spoilage Limit in the Declarations, that amount is the limit of your Insurance against loss under Spoilage Coverage from any "one accident" for the "location" where the "accident" occurs.

D. DEDUCTIBLE - Combined All Coverages

We will not pay for loss, damage or expense resulting from any "one accident" until the amount of loss, damage or expense exceeds the Deductible shown in the Declarations. We will then pay the amount of loss, damage or expense in excess of the Deductible. If more than one covered piece of equipment is involved in "one accident," only the highest Deductible will apply.

E. BOILER AND MACHINERY CONDITIONS

The following conditions apply in addition to the Common Policy Conditions.

1. Loss Conditions

a. Duties in the Event of Loss or Damage

You must see that the following are done in the event of loss or damage:

- (1) Give us a prompt notice of the loss or damage. Include a description of the property involved;
- (2) As soon as possible, give us a description of how, when and where the loss or damage occurred;
- (3) Allow us a reasonable time and opportunity to examine the property and premises before repairs are undertaken or physical evidence of the "accident" is removed. You must take whatever measures are necessary for protection from further damage;
- (4) Permit us to inspect the property and records. Also permit us to take samples of damaged property for inspection, testing and analysis;
- (5) If requested, permit us to question you under oath, at such times as may be reasonably required, about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed;
- (6) Send us a signed, sworn statement of loss containing the information we request to settle the claim. You must do this within 60 days after our request; and
- (7) Cooperate with us in the investigation and settlement of the claim.

We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

b. Insurance Under Two or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage, subject to the Limit of Insurance.

c. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

- (1) There has been full compliance with all the terms of this Coverage Part; and
- (2) The action is brought within 2 years after the date of the "accident;" or
- (3) We agree in writing that you have an obligation to pay for damage to Covered Property of others or until the amount of that obligation has been determined by final judgment or arbitration award. No one has the right under this policy to bring us into an action to determine your liability.

d. Loss Payable Clause

- (1) We will pay you and the loss payee shown in the Declarations for loss due to an "accident," as interests may appear. The insurance covers the interest of the loss payee unless the loss results from conversion, secretion or embezzlement on your part.
- (2) We may cancel this policy as allowed by the Cancellation Condition. Cancellation ends this agreement as to the loss payee's interest.

If we cancel we will mail you and the loss payee the same advance notice.

- (3) If we make any payment to a loss payee, we will obtain their rights against any other party.

e. Other Insurance

- (1) You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

(2) If there is other insurance covering the same loss or damage, other than that described in (1) above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not.

In no case will we pay more than the applicable Limit of Insurance.

f. Transfer of Rights of Recovery Against Others to Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them.

g. Valuation

(1) We will pay you the amount you spend to repair or replace your property directly damaged by the "accident." Our payment will be the smallest of:

- (a) The Limit of Insurance;
- (b) The cost at the time of the "accident" to repair the damaged property with new property of like kind, capacity, size and quality;
- (c) The cost at the time of the "accident" to replace the damaged property on the same site, with other new property;

A. Of like kind, capacity, size and quality; and

B. Used for the same purpose;

- (d) The amount you actually spend that is necessary to repair or replace the damaged property.

(2) As respects any covered equipment, if the cost of repairing or replacing only a part of the covered equipment is greater than:

- (a) The cost of repairing the equipment; or
- (b) The cost of replacing the entire equipment on the same site;

we will pay only the smallest amount. The repair parts or replacement equipment must be:

- (c) Of like kind, capacity, size and quality; and
- (d) Used for the same purpose;

(3) We will not pay you:

- (a) If the loss or damage is to property that is obsolete or useless to you; or
- (b) For any extra cost if you decide to repair or replace the damaged property with property of a better kind or quality or of larger capacity.

(4) If you do not repair or replace the damaged property within 24 months after the date of the "accident," then we will pay only the smaller of the:

- (a) Cost it would have taken to repair; or
- (b) Actual cash value;

at the time of the "accident."

Paragraph (4) does not apply to any time period beyond 24 months that we agree to in writing.

(5) Spoilage Coverage

We will pay for perishable goods damaged or spoiled as a result of an "accident" on the basis of:

- (a) The selling price at the time of the "accident" as if no loss or damage had occurred; and
- (b) Less any discounts and expenses you otherwise would have had.

(6) Media

We will pay for media, directly damaged by an "accident," at the cost of blank material for reproducing the records.

2. General Conditions

a. Additional Insured

If a person or organization is designated in this Coverage Part as an additional insured, we will consider them to be an insured under this Coverage Part to the extent of their interest.

b. Bankruptcy

The bankruptcy or insolvency of you or your estate will not relieve us of any obligation under this Coverage Part.

c. Concealment, Misrepresentation or Fraud

This Policy is void in any case of fraud by you relating to it. It is also void if you intentionally conceal or misrepresent a material fact concerning:

- (1) This Policy;
- (2) The Covered Property; or
- (3) Your interest in the Covered Property.

d. Liberalization

If we file any forms, endorsements, rules or regulations (for use with this insurance program) with the insurance supervisory authorities while this insurance is in force (or filed and accepted within 45 days prior to its effective date) which could broaden or extend the coverage without an additional premium charge, such broadened or extended insurance shall automatically inure to your benefit.

e. Mortgage Holders

- (1) The term mortgage holder includes trustee.
- (2) We will pay for direct damage due to an "accident" to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.
- (3) The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the covered property.
- (4) If we deny your claim because of your acts or because you have failed to comply with the terms of this Policy, the mortgage holder will still have the right to receive loss payment if the mortgage holder:

(a) Pays any premium due under this Policy at our request if you have failed to do so;

(b) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

(c) Has notified us of any change in ownership or substantial change in risk known to the mortgage holder.

All of the terms of this Policy will then apply directly to the mortgage holder.

(5) If we pay the mortgage holder for any loss and deny payment to you because of your acts or because you have failed to comply with the terms of this Policy:

- (a) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (b) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

(6) If we cancel this Policy, we will give written notice to the mortgage holder at least:

- (a) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (b) 30 days before the effective date of cancellation if we cancel for any other reason.

(7) If we do not renew this Policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this Policy.

f. Policy Period, Coverage Territory

Under this Coverage Part:

- (1) The "accident" must occur:

- (a) During the Policy Period shown in the Declarations; and
- (b) Within the Coverage Territory.

(2) The Coverage Territory Is:

- (a) The United States of America; and
- (b) Puerto Rico.

g. Suspension

Whenever any covered equipment is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that equipment. This can be done by delivering or mailing a written notice of suspension to:

- (1) Your last known address; or
- (2) The address where the equipment is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement to the Policy for that equipment.

If we suspend your insurance, you will get a pro rata refund of premium for that equipment. But the suspension will be effective even if we have not yet made or offered a refund.

Condition Applying Only to Business Interruption, Extra Expense and Spoilage Insurance.

h. Reducing Your Loss

You must reduce your loss, if possible, by:

- (1) Resuming business, partially or completely;
- (2) Using merchandise or other property available to you; and
- (3) Using the property or services of others.

F. DEFINITIONS

1. "Accident"

- a. If "Basic" is shown in the Declarations under Coverages, "Accident" means a sudden and accidental breakdown of:

- (1) Any boiler;
- (2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than static pressure of contents; and
- (3) Any piping and its accessory equipment.

At the time the breakdown occurs, it must become apparent by physical damage that requires repair or replacement of the covered equipment or part thereof.

- b. If "Comprehensive" is shown in the Declarations under Coverages, "Accident" means a sudden and accidental breakdown of:

- (1) Any boiler;
- (2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than static pressure of contents;
- (3) Any piping and its accessory equipment;
- (4) Any refrigeration or air conditioning system;
- (5) Any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

At the time the breakdown occurs, it must become apparent by physical damage that requires repair or replacement of the covered equipment or part thereof.

If covered electrical equipment requires drying out as a result of flood, the drying out will be considered an "accident."

- c. None of the following is an "Accident":

- (1) Depletion, deterioration, corrosion or erosion, wear and tear;
- (2) Functioning of any safety or protective device;
- (3) The breakdown of any structure or foundation.

- d. None of the following are covered equipment:

- (1) Any sewer piping, underground gas piping, or piping forming a part of a sprinkler system;
- (2) Water piping other than boiler feed water piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (3) Insulating or refractory material;
- (4) Media used with any electrical computer or electronic data processing equipment;
- (5) Vehicle, elevator, escalator, hoist or crane.

e. If a strike, riot, civil commotion, act of sabotage or vandalism results in an "accident," this insurance applies. However, the War and Military Action Exclusion and the conditions of this Policy still apply.

2. "Location" means the premises at the address shown in the Declarations.

3. "One Accident" means:
If an initial "accident" causes other "accidents" all will be considered "one accident." All "accidents" at any one "location" that manifest themselves at the same time and are the result of the same cause will be considered "one accident."

4. "Suit" means a civil proceeding and includes:

- a. An arbitration proceeding in which damages are claimed and to which you must submit or do submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which damages are claimed and to which you submit with our consent.